



Department of Justice

FOR IMMEDIATE RELEASE
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**KENTUCKY MILK COMPANY CHARGED WITH RIGGING BIDS ON
MILK CONTRACTS TO WESTERN KENTUCKY PUBLIC SCHOOLS**

WASHINGTON, D.C. -- A federal grand jury in Louisville, Kentucky, indicted a Kentucky milk company today for participating in a bid rigging conspiracy to supply milk to public schools in western Kentucky, according to the Department of Justice's Antitrust Division.

The one-count indictment said U.C. Milk Company Inc. of Madisonville, Kentucky, conspired from 1979 through the 1989-90 school year with other dairies to allocate contracts and rig bids for the supply of dairy products to the Owensboro City and Providence Independent school districts and public school districts in these western Kentucky counties: Grayson, Hopkins, Breckinridge, Daviess, Hancock, Muhlenburg, McLean, Ohio and Webster.

The Department charged that U.C. Milk discussed with other conspirators the submission of prospective bids for the various school dairy contracts. The alleged conspirators then designated among themselves which company would be the low bidder on each contract. In order to carry out the conspiracy, the indictment

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charged that U.C. Milk sometimes submitted intentionally high, or complementary, bids to assist the other conspirators in obtaining their school dairy contracts.

Joseph H. Widmar, Acting Assistant Attorney General for the Antitrust Division, said the charge is the result of a grand jury investigation in Kentucky into suspected bid rigging in the dairy products industry. The investigation is being conducted by the Antitrust Division's Cleveland office, and is continuing.

The Antitrust Division has filed a total of 115 criminal cases against 65 corporations and 71 individuals in the milk/dairy products industry for bid rigging conspiracies. Cases have been brought in Kentucky, Florida, Georgia, North Carolina, South Carolina, Virginia, Illinois, Texas, Mississippi, Tennessee, Indiana, Oklahoma, Alabama, Michigan, New York, Connecticut and Louisiana.

To date, 59 corporations and 55 individuals have been convicted and a total of approximately \$55 million in fines imposed. Total civil damages total more than \$8 million. Twenty-seven grand juries in 19 states continue to investigate the milk industry.

The maximum penalty which may be imposed upon a corporation convicted of a violation of the Sherman Act occurring prior to November 16, 1990, is a fine not to exceed the greatest of \$1 million, twice the pecuniary gain the corporation derived from the crime, or twice the pecuniary loss caused to the victims of

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the crime.

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